

June 27, 2025

Company name:	Shin Nippon Air Technologies Co., Ltd.
Representative:	Masanori Hiroshima President and Representative Director
Securities code:	1952 (TSE Prime)
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Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation

Shin Nippon Air Technologies Co., Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held on June 27, 2025, it resolved to carry out a disposal of treasury stock as restricted stock compensation (the “Treasury Stock Disposal”) as described below.

1. Details of the disposal

(1) Due date of payment	July 16, 2025
(2) Class and number of shares for disposal	28,735 shares of common stock of the Company
(3) Disposal price	2,357 yen per share
(4) Total disposal price	67,728,395 yen
(5) Method of contributions	In-kind contributions of monetary compensation claims
(6) Allottees and number thereof, number of shares to be allotted	Directors of the Company (excluding Audit and Supervisory Committee Members and Outside Directors): 5 persons, 8,488 shares Managing Officers of the Company: 19 persons, 17,403 shares Directors of subsidiaries of the Company: 5 persons, 2,844 shares

2. Purpose and reason for the Treasury Stock Disposal

The Company resolved at a meeting of the Board of Directors held on June 1, 2020 to adopt a restricted stock compensation plan (the “Plan”) for its Directors (excluding Audit and Supervisory Committee Members and Outside Directors; the “Eligible Directors”) for the purposes of creating an incentive for the Eligible Directors to strive to continuously improve the Company’s corporate value and further advancing their sharing of value with shareholders. Furthermore, the Company received shareholder approval at the 51st Ordinary General Meeting of Shareholders, held on June 26, 2020, to pay monetary compensation claims of up to 50 million yen per year (total) to the Eligible Directors for the delivery of restricted stock under the Plan and to deliver up to 100,000 shares* (total) of the Company’s common stock per year.

* At the time, approval was received on a total of 50,000 shares per year, but subsequently a two-for-one split of the Company’s common stock was implemented with an effective date of January 1, 2025; accordingly, the total number of shares has been adjusted to reflect the ratio of that split.

It has now been decided, in consideration of the Plan’s purpose, to pay monetary compensation claims totaling 67,728,395 yen to the Eligible Directors, Managing Officers of the Company, and Directors of subsidiaries of the Company (collectively referred to as the “Eligible Directors, etc.”) on the condition that said claims be paid in as assets contributed in kind for the Treasury Stock Disposal. The Company has also decided to carry out the Treasury Stock Disposal for the Eligible Directors, etc. In order to achieve the purposes of the Plan—providing an incentive for efforts to continuously improve corporate value, and realizing value-sharing with shareholders—

the transfer restriction period shall last, as indicated in section 3 below, until the Eligible Directors, etc. retire from their positions.

3. Overview of restricted stock allotment agreement

In the allotment of restricted stock under the Treasury Stock Disposal, the Company will separately execute a restricted stock allotment agreement with each Eligible Director, etc. (the “Allotment Agreement”). Below is an overview of the Allotment Agreement.

(1) Transfer restriction period

The Eligible Directors are barred from transferring, pledging, and otherwise disposing of the shares of the Company’s common stock allotted to them under the Treasury Stock Disposal (the “Allotted Shares”) during the period from the disposal due date, July 16, 2025, to the day of their retirement.

(2) Lifting of transfer restriction

At the conclusion of the transfer restriction period, the Company shall lift that restriction on all Allotted Shares held by the Eligible Directors, etc. at that time, on the condition that they had continuously served as a Director, Managing Officer, or equivalent officer of a company in the Company’s Group during said period.

(3) Uncompensated acquisition by the Company

The Company shall acquire, as a matter of course and without compensation, all Allotted Shares that were still subject to the transfer restriction as of the conclusion of the transfer restriction period, with said acquisition taking effect immediately after said period ended.

Furthermore, the Company shall acquire, as a matter of course and without compensation, the Allotted Shares in cases where the Eligible Director, etc. retires before the conclusion of the transfer restriction period for a reason that is not considered valid, and in other cases that fall under the disqualifying criteria prescribed in the Allotment Agreement.

(4) Management of shares

The Allotted Shares shall be deposited and managed in a dedicated restricted stock account opened at Nomura Securities Co., Ltd. by each Eligible Director, etc., so as to prevent said shares from being transferred, pledged, or otherwise disposed of during the transfer restriction period.

(5) Handling of reorganizations, etc.

In the event that a merger agreement in which the Company will be the dissolving company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or other proposal involving reorganization, etc. is approved during the transfer restriction period by a general meeting of shareholders of the Company (or by the Company’s Board of Directors in cases where the reorganization, etc. do not require approval by a general meeting of shareholders), the Company shall lift the transfer restriction before the effective date of the reorganization, etc. for a certain number of Allotted Shares that will be reasonably determined, taking into account the length of time between the first day of the transfer restriction period and said effective date. In this case, the Company shall acquire, as a matter of course and without compensation, the Allotted Shares that were still subject to the transfer restriction immediately following the abovementioned lifting of the transfer restriction.

4. Basis for calculation and specific details of the amount to be paid in

In order to avoid arbitrariness in the disposal price paid by the scheduled allottees in the Treasury Stock Disposal, the Company set that price as the closing price of the Company’s common stock on the Tokyo Stock Exchange’s Prime Market on the business day immediately preceding the date of the aforementioned Board of Directors resolution.

As said disposal price is the market price of the shares on the business day immediately preceding the date of said resolution, the Company believes that is reasonable and does not afford any particular advantages to the allottees of the shares.